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Established 1887

Reds Tighten Grip on Coast; U.S. Expanding Evacuation

Lon Nol Tells Generals He Is Departing

From Wire Dispatches
PHNOM PENH, March 31.—With his departure near and rebel forces moving on Cambodia's two largest cities, President Lon Nol met with his top generals today and told them, "I am leaving... to leave the way for a peace settlement," palace sources said.

"The country now needs your leadership. I ask for your unity in solving the problems to the best of your abilities," he added. Political sources predicted Marshal Lon Nol's departure would be followed by a sweeping government change, with the removal of most of the men associated with him and the inclusion of new men more acceptable to the Communist-led Khmer Rouge.

Under the Cambodian Constitution, Marshal Lon Nol will be replaced as interim head of state by Lt. Gen. San Kam Khe, the president of the Senate. Marshal Lon Nol refused to resign his office and resisted the idea of going until he received an invitation from another government. Japan refused but Indonesia was finally persuaded. His hesitation was said to be a matter of saving face.

"It's very hard to read his mind," said Education Minister Pan Soti, "but I would say that he knows that his journey will be long and extended."

Airport Bombarded
Insurgent forces meanwhile unleashed a 40-rocket barrage at the Phnom Penh airport, and a small pile of napalm bombs which sent thick black smoke into the air for 30 minutes. No injuries were reported and the U.S. shift continued, field reports said.

Rebel forces penetrated Phnom Penh's defense perimeter across the Tonle Sap River, 1 1/2 miles from the city.

At Cambodia's second-largest city, Battambang, 180 miles northwest of Phnom Penh, the rebels reportedly shelled the airport for the first time in more than a year.

Marshal Lon Nol, partly paralyzed from a stroke in 1971, will then go to Hawaii to seek medical treatment, reliable sources said. They said his departure also is aimed at getting the U.S. Congress to come up with more military aid for Cambodia.

Sees U.S. Ambassador
In addition to his generals, Lon Nol met with U.S. Ambassador John Dean and the Cambodian Cabinet today and he paid a short visit to his home in the southern part of Phnom Penh to say good-bye to relatives, soldiers and servants.

Marshal Lon Nol is leaving after a monthlong campaign to get him to step aside as a new government could be formed that would be more acceptable to the insurgents in the event of negotiations.

More than 30 officials, including Premier Long Boret and Marshal Lon Nol's family will accompany the President. If both Marshal Lon Nol and Mr. Long Boret stay out of the country, only two of the insurgents' original list of "seven traitors" will be left—Republican party leader Srik Matak and former Premier in Tan.

Buddhists Set Protests Over Vietnam Draft

SAIGON, March 31 (NYT).—Buddhist monks here opened a campaign today against a government mobilization order. It appeared that a series of anti-government street demonstrations was planned.

A meeting of several hundred monks was held today at Saigon's An Quang Pagoda, the headquarters of the leading faction of the Buddhist faith in South Vietnam. According to Thich Quang Do, spokesman of the An Quang group, "the government has not listened to us and it is time to take to the streets."

The March 12 order lowered the conscription age and did away with most student deferments, including those that had been extended to Buddhist monks.

Abductors Free Consul

CALL, Colombia, March 31 (AP).—Honorary Dutch Consul Eric Leupin, 40, who was kidnapped here by Marxist rebels on Jan. 31, has been freed in Santander de Quilichao, near the town where he was abducted, authorities said yesterday.

DAY'S WEATHER FORECAST — PARIS: High 54, Low 41. Tomorrow variable, 44-54. Wednesday, high 54, low 41-51. Thursday, high 54, low 41-51. Friday, high 54, low 41-51. Saturday, high 54, low 41-51. Sunday, high 54, low 41-51. NEW YORK: High 64, Low 44. Tomorrow variable, 64-74. Wednesday, high 64, low 44-54. Thursday, high 64, low 44-54. Friday, high 64, low 44-54. Saturday, high 64, low 44-54. Sunday, high 64, low 44-54.

OPTIONAL WEATHER—COMING PAGE.



Nol at final meeting with military and government leaders in Phnom Penh.

In First Major Policy Statement

Saudi Regime Vows Arms Buildup

By Eric Pace

RIYADH, March 31 (NYT).—A new Saudi Arabian regime, a major policy statement, declared tonight that it would continue the buildup of Saudi Arabia's armed forces so that it would be "a force in the use of the Arab nations and the Arab cause."

Prince Fahd, Saudi Arabia's first deputy premier, said the wide-ranging policy statement in the name of King Khalid, who is also Saudi Arabia's Premier.

The declaration, which was made public by the Saudi Arabian government news agency translated by an Information Ministry official, was the first statement of Saudi policy since King Khalid succeeded his father King Faisal, who was assassinated last week.

To Seek Rights
ince Fahd, the strongman in Saudi Arabian government, said that his nation would everything in its power to win the lost rights of the Muslim people and get back occupied Arab territories and said that the government would "employ all its resources, human and material, to that end."

He also said that the government would provide a kind of "alliance assembly" to "secure unity and strengthen the government apparatus." He did not

give details of how the assembly membership would be selected or what powers it would have, so it was unclear how important the announcement might be in making Saudi Arabia's monarchic system more directly responsive to the wishes of the populace.

The prince wielded substantial power during King Faisal's reign. Now, under King Khalid, his power is to be formalized by having all the kingdom's ministers report directly to him rather than to King Khalid, highly placed sources reported today.

Having all the 20 or so ministers report directly to the prince in the future will provide formal channels for the influence that he already wields, the informants said.

There was no mention of such a change in Prince Fahd's message, nor did he say to what extent the government planned to beef up its armed forces—or just how it expected to use them on behalf of the Arab cause.

On foreign policy, Prince Fahd indicated that Saudi Arabia would not deviate from the militantly anti-Israeli policy it pursued during the reign of King Faisal. But he said that Saudi Arabia "supports measures for disarmament, supports self-determination for all people and believes international disputes should be dealt with by peaceful means based on justice and right."

But the burden of his statement concerning the Saudi Arabian armed forces and the Palestinians was that Saudi Arabia intended to make its oil might and its influence in the military and other fields felt strongly on the Arab side in the Arab-Israeli confrontation.

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Intensive Firing

upts in Nicosia

ICOGIA, April 1 (Reuters).—Firing broke out on the Cypriot island here between the Greek and Turkish Cypriots early yesterday.

First reports said Greek Cypriots fired in the air to celebrate the 20th anniversary of the 1955 campaign against the British.

At the shots led to a response by Turkish forces on the other side of the "green line," heavy machine guns and mortars soon came into use. The firing was especially heavy near the airport.

Amnesty for Kurds Expiring, Iraqi Army Moves Forward

AGHDAD, March 31 (AP).—Amnesty for Kurdish rebels expired tonight and the Iraqi army began moving against their stronghold in the mountains of the Iranian border.

20,000 Israeli Marchers Ask More West Bank Settlements

By Terence Smith

SEBASTIYA, Occupied Jordan, March 31 (NYT).—An estimated 20,000 Israelis converged on this ancient Judean capital on the occupied West Bank of the Jordan today to dramatize their call for more Jewish settlements in the area.

The protest marchers, mostly dressed in hiking clothes and carrying sleeping bags and knapsacks, streamed in a long, thick column over the rocky green fields of the West Bank and down into the fields beneath the town.

They had walked in two days about 30 miles from a point on the old Israeli-Jordanian border to demonstrate, as a marcher put it, "that the West Bank is within walking distance of the heart of Israel."

Largest Protest
The march was by far the largest demonstration staged by the would-be settlers, most of whom are Orthodox Jews who believe that they have a historical and religious duty to settle the whole of the biblical land of Israel.

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ON THE ROAD—South Vietnamese soldiers and civilians pass crushed motorcycle and other debris as they march south ahead of advancing Communist troops.

Babies Die, Women Weep, Manhood Crumbles on Last Refugee Vessel

By Peter O'Loughlin

ABOARD THE PIONEER CONTENDER, Off South Vietnam, March 31 (AP).—South Vietnamese Marines shot and killed about 25 persons they claimed were Viet Cong suspects on an American ship evacuating refugees from Danang, crew members reported.

Many others drowned or died of exposure trying to escape. Children lost their footing or were knocked over the side of heaving barges. Some mothers leaped after them and were lost. Blacked bodies floated in the harbor.

South Vietnamese troops fought to take over lighters and get aboard barges to reach this vessel and its sister ship, the Pioneer Commander, as South Vietnam's second largest city fell to the Communists during the Easter weekend.

The mass killing reportedly occurred on the fantail of the Pioneer Commander. Two Vietnamese men were shot to death and a woman was wounded by an unknown assailant on this vessel.

There were no reports of any American deaths.

Coyler Said Attacked

There were reports that South Vietnamese troops aboard this freighter fired at a helicopter carrying American photographers but the U.S. Embassy in Saigon said it did not know of any such incident.

The Contender was the last ship to carry out a load of refugees yesterday before Communist shelling forced a halt to the evacuation, cutting the last escape route for an estimated 1 1/2 million refugees.

The ship's seamen turned away their eyes and noses as a tug approached, pulling a barge that reeked of urine and sweat from its load of perhaps 4,000 refugees. They were jammed into the barge, which was about 200 feet long and 80 feet wide. Wet from rain, scorched by sun, they had been without food and toilet facilities for four days.

About half were women and children of various ages. Some children had been born aboard the barge.

Two Americans, of unknown affiliation, stood guard on the flatbed boat, which also contained hundreds of armed and rebellious South Vietnamese troops and, it was said, some Viet Cong infiltrators.

One of the guards, a burly blond man in rimless glasses, sat on a 12-foot-high fence encircling the barge, chewing a cigar while cradling a submachine gun.

On the bridge of the Pioneer Contender, the radio crackled. "Contender, this is Pioneer Commander. We've had a report that underwater sappers are on their way out. You'll have to keep moving. We're loading but it's a mess."

Capt. Edward Fink, of Massapequa, N.Y., drew a reply into

his transmitter: "Yeah, we had it yesterday. Contender standing by."

Chief Mate Robert Holock, 30, of Fairfax, Calif., in a helmet and oil-stained overalls, was organizing the lines and hawes to secure the barge alongside, a tricky job in the wind, rain and lumpy swell.

On the first trip out of Danang there had been some U.S. Marine guards from the evacuated consulate to help keep order. They had driven panic-stricken people back, fired shots over their heads and searched soldiers for weapons. Now, there were only the 44 officers and crew of the ship.

"Hell, we can't do that," muttered Chief Holock when asked if arms would be used to keep order. "We're merchant sailors. I don't even know how to fire a gun."

A rickety gangway, about 50 feet long, was dropped by the cargo boom into place at a 45-degree angle between the ship's side and the barge. The rush to get on the Contender began.

A seaman positioned himself at the top of the ladder and began hauling children and infants aboard as their mothers scrambled for a foothold. He handed the youngsters to shipmates on deck.

Seamen pushing back a soldier shouted, "Go desert some place else," and added some profanities.

The barge worked the controls of the cargo boom. He dropped the cargo net into the barge and hoisted loads of women and children.

(Continued on Page 2, Col. 4)

Fears Mount Of an Attack On Saigon

From Wire Dispatches

SAIGON, March 31.—Amid growing fears of a North Vietnamese attack on Saigon, Communist troops engulfed South Vietnamese enclaves on the central coast today and threatened the evacuation of tens of thousands of South Vietnamese refugees.

In Washington, the U.S. Agency for International Development reported six American ships would begin evacuating as many as 200,000 refugees from three ports on the central coast tomorrow. A spokesman said four ships would be at Qui Nhon, where there are an estimated 100,000 refugees, and one each at Nha Trang and Tuy Hoa where

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• U.S. military blames Thieu for rout in Vietnam. Page 2.

100,000 persons are lining the beaches.

AID also has a ship standing off Danang as a symbol of hope for any refugees who can escape by small vessels, the spokesman said.

By nightfall, with the military situation rapidly worsening, U.S. and South Vietnamese officials were evacuating the coastal enclave of Nha Trang—where Saigon is expected to try to draw a defensive line. There were also indications that some U.S. Embassy staff members and their families in Saigon were departing.

U.S. officials strongly denied that any departure was taking place, but reliable Western sources said that "numerous" officials were sending out their families and that several officials themselves had decided to leave Saigon.

There are more than 5,800 Americans in South Vietnam, most of them in Saigon. The total includes 1,486 "officials" and their families.

In Washington, Secretary of Defense James Schlesinger predicted today that the North Vietnamese would drive on Saigon within the next month or two.

Mr. Schlesinger said: "I would think that there would be major action directed toward Saigon in the next month or two."

According to Western intelligence officials, six regular North Vietnamese divisions are in the Saigon area. These soldiers are equipped with Russian-made heavy tanks and 130-mm artillery pieces with a range of 15 miles.

In the meantime, the 11-million-man South Vietnamese Army is in a virtual disarray. An intelligence source said that perhaps half the army was on the run, deserting or in the hands of the North Vietnamese.

Rumors About Thieu
The Saigon government was also in upheaval. There were unconfirmed rumors that President Nguyen Van Thieu was planning to leave the capital.

A Hanoi broadcast monitored in Tokyo today said that the Viet Cong was ready to hold talks with a South Vietnamese government that excludes President Thieu and that abides by the Paris cease-fire to "quickly settle all the affairs of South Vietnam."

"The Nguyen Van Thieu junta—main obstacle to the settlement of the political questions in South Vietnam—must be overthrown, and an administration standing for peace, independence, democracy, national concord and strict application of the Paris agreement must be established," the broadcast said, adding that the Viet Cong would then hold talks with such an administration.

Today, the North Vietnamese pushed eastward toward the central coast and south, stepping up pressure on such major port cities as Qui Nhon, northeast of Saigon.

As South Vietnamese Army morale ebbed, U.S. military sources reported that close-in evacuation of refugees from Danang in American ships had been suspended because the North Vietnamese and Viet Cong were firing rockets at the barges and tugs carrying people toward the ships.

U.S. officials estimated that between 30,000 to 50,000 refugees managed to escape Danang by sea, and 2,000 to 4,000 more by air before the North Vietnamese occupied the city.

A military source said: "We are not able to work there because the Communists are not being very cooperative."



CAPTURE OF HUE—North Vietnamese released this recent photo of troops carrying a Viet Cong flag while storming the citadel at Hue. The city was captured last week.

Overreaction, Panic Charged

U.S. Military Blames Thieu For Disarray in S. Vietnam

By George C. Wilson

WASHINGTON, March 31 (UPI)—President Nguyen Van Thieu overreacted to North Vietnamese troop movements and ordered the precipitous withdrawals that unraveled South Vietnam's armed forces, according to administration analysts trying to explain the sudden military reverses in Indochina.

The Communist leaders, the analysts add, uncharacteristically moved ahead of their military timetable and flung part of the power vacuum Mr. Thieu unexpectedly created.

Unlike the Easter offensive of 1972, it is pointed out with some bitterness in the Pentagon, North Vietnamese leaders realized they could move in tanks and troops without worrying about being bombed by American planes and shelled by American ships.

This freedom of maneuver for Hanoi's 1975 offensive saved the Communists a lot of preparation and denied the Saigon government the time needed to set up a tighter ring of defenses around Danang and other coastal enclaves.

If Mr. Thieu had kept cool, Pentagon analysts argue, it could have been a fair fight between invaders and defenders—with North Vietnam having the advantage of shorter supply lines around Hue but South Vietnam having an edge in numbers and aircraft.

"An orderly withdrawal is the most difficult of all military maneuvers to execute properly," said an Army general who used to work with the Vietnamese forces. "And we didn't teach the ARVN [Army of the Republic of Vietnam] how to do it. They didn't do it well."

Even Gen. William Westmoreland (ret.), former commander of U.S. forces in Vietnam and a staunch backer of the Vietnamese military, has faulted Mr. Thieu for ordering a sudden withdrawal rather than let his commanders plan it so forces and equipment could be kept intact.

At the White House, officials confirmed that Mr. Thieu never consulted U.S. representatives before ordering his troops out of Hue and the Central Highlands—leaving tons of equipment behind.

But much worse than aircraft and other equipment lost in the withdrawal, the analysts contend, was the quick disintegration of many fighting units needed to make a stand farther south.

Soldiers Desert
Intelligence reports coming into the Pentagon last week said that South Vietnamese soldiers were leaving their outposts and looking for their families amid the flood of refugees in Danang. This spreading disintegration of the army was not only a military disaster but also the toughest test of the South Vietnamese army since the fall of Dien Bien Phu in 1954, once the proud defender of Hue, which Mr. Thieu ordered to Danang.

Although Secretary of Defense James Schlesinger has made an issue of the "niggardly" amount of military aid Congress has been voting for South Vietnam, analysts concede that it was not for want of guns, ammunition or fuel that South Vietnamese forces did not make a stand at Hue or in the Central Highlands.

It can be argued, they say, that Mr. Thieu concluded that his military aid was going to be cut so that he would have to shrink his defense lines accordingly. But such a conclusion does not mean he had to order pell-mell retreats and run much of his army without making a stand or planning an orderly retreat. He had time, the analysts assert.

Under that argument, it follows that congressional cuts in military aid cannot be fairly blamed for the immediate reverses of Saigon's military forces. Instead, it looks to U.S. military officials, who admit they have

less than the whole story, that Mr. Thieu panicked.

What caused his panic, some analysts theorize, was the discovery early this month that Hanoi had sent part of the divisions it usually keeps in North Vietnam into the South—the 316th and 341st.

But the Pentagon estimated that there were only about 3,000 to 4,000 troops from those two divisions in South Vietnam when Mr. Thieu ordered the withdrawals. Analysts contend that the military threat did not justify the precipitous withdrawals. "He just handed it to them," a U.S. official said.

During the offensive of 1972, North Vietnamese forces unaccountably held back their advances at moments advantageous to them—possibly awaiting new orders from Hanoi. There are still slim hopes in the Pentagon that this will happen again.

But government military analysts argue that both the Nixon administration and Congress have made Hanoi's decision-making about the war much easier and faster by not using U.S. air and sea power.

It was just two years ago—on March 28, 1973—that President Nixon warned that North Vietnamese leaders "should have no doubt as to the consequences if they fail to comply with the [peace] agreement."

Words of Treaty
Part of that peace treaty—signed on Jan. 27, 1973—states that the "United States will stop all its military activities against the territory of the Democratic Republic of Vietnam by ground, air and naval forces, wherever they may be based."

The treaty also provides that North and South Vietnam "shall stop all offensive activities against each other," that foreign troops will be withdrawn from South Vietnam, and that neither Vietnam will build up its military forces, except for a "piece-for-piece" replacement of equipment.

Some military analysts contend it has only increased the threat of U.S. military action that has kept potential combatants apart elsewhere—such as in North and South Korea.

Congress also put its restraining hand on U.S. military force. A law enacted July 1, 1973 states: "Notwithstanding any other provision of law, on or after Aug. 15, 1973, no funds herein or hereafter appropriated may be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos or Cambodia."

Thus, from a military standpoint, all the borders of South Vietnam are off-limits to U.S. bombing and shelling. Hanoi has a sanctuary for military buildup and maneuver at the very time it is deploying the types of forces that would make vulnerable targets for U.S. air power—banks, massed armor and storage areas within South Vietnam.

The Saigon government, then, is in a defensive posture. It no longer has the U.S. air force to fly divisions quickly around the country; its fighter-bombers do not have the range to strike targets in North Vietnam and U.S. policymakers deliberately left aerial refueling out of Vietnamese training courses so that its warplanes would have to stick close to home.

If the South Vietnamese Army manages to draw a new defense line at some place and hold it, new questions arise as to how much aid will be needed and how much, if any, Congress will approve.

Aid Situation
In fiscal 1973, Congress voted \$2.7 billion in military and economic aid for South Vietnam. This year, fiscal 1975, the total dropped to less than half that amount—\$700 million for military and \$450 million for economic aid, for a total of \$1.15 billion more. The Pentagon then asked for \$300 million more before the latest offensive, with little indication Congress would go along. Now it will have to ask for more to cover losses if the South Vietnamese do manage to set up a new defense line.

The CIA and the Defense Intelligence Agency reported on March 5—after warning that their information was incomplete and thus subject to error—that Communist nations supplied the equivalent of \$400 million in military and \$1.39 billion in economic aid to North Vietnam in 1974 for a total of \$1.79 billion.

Under that estimate, South Vietnam is receiving almost twice as much military aid from the United States as North Vietnam is getting from its allies.

Map shows 13 South Vietnamese provinces that have fallen to Communists and three—Binh Dinh, Tuyen Due and Tay Ninh—that are in imminent danger of falling.

—Pat Thomas.

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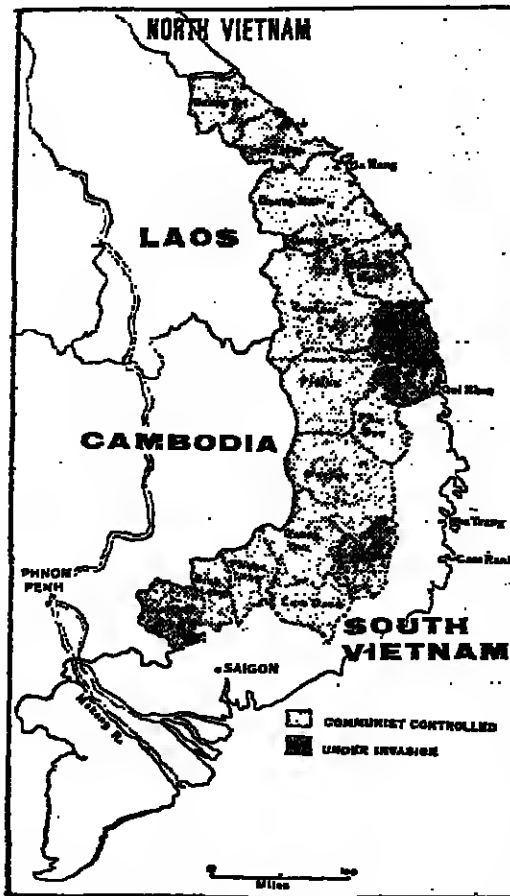
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News Analysis

Slowing Reds in North Is Aim To Allow Saigon Area Buildup

By Drew Middleton

NEW YORK, March 31 (UPI)—South Vietnamese infantry and artillery are attempting to establish a line north of the coastal port of Nha Trang in an effort to halt a Communist offensive developing along the seacoast, according to U.S. military sources.

The offensive will be accompanied, the sources predicted, by a steady intensification of pressure to test the morale of South Vietnamese forces defending the Saigon area.

American officers generally believe that, despite the rout in the north, the Saigon sector can be held by the ground and air forces available there. They believe that the airlift of ammunition, fuel and spare parts to the sector's garrison will balance any weakening of morale arising from heavy losses in the north.

Four of the 13 divisions and four of the independent Ranger and armored brigades with which South Vietnam began the present campaign have ceased to exist as organized units, according to reports reaching Washington from Saigon.

These losses tip the manpower balance sharply in favor of the Communists. Allowing for battle casualties, which are regarded as light, U.S. sources estimate that North Vietnam now has about 270,000 men deployed in South Vietnam against a maximum of 130,000 South Vietnamese regulars, Rangers and militia.

The defensive strategy emerging from Saigon's chaotic situation, as U.S. analysts see it, appears to focus first on a buildup of forces, fixed defenses and supplies around Saigon while a holding action is fought to check the coastal sweep.

General's Strategy
Gen. Pham Van Phu, commanding Military Region II, was reported to have told Gen. Frederick Weyand, the U.S. Army chief of staff, who is in Vietnam to assess the situation, that he intends to fight, using his tanks, on a line north of Nha Trang, on the line 105 miles northeast of Saigon.

The South Vietnamese holding force was under heavy artillery fire yesterday and American sources noted that similar efforts to delay the enemy push have failed. They said they thought that both Qui Nhon and Tuy Hoa north of Nha Trang would be taken by Communist forces.

[Tass, the Soviet press agency, claimed today in a report from Hanoi that Communist forces have "liberated" Qui Nhon, the Associated Press reported. The AP said that according to the Saigon command, Qui Nhon remained in government troops' control, but civilians were fleeing from Qui Nhon and Nha Trang in panic. Radio contact between Saigon and Qui Nhon, 270 miles away, was reported broken.]

The danger to Saigon is that an enemy breakthrough in the north would open the way for a drive southward by thousands of infantrymen, supported by tanks, down Route 1, to link up with Communist forces now assembling in the area of the capital.

Pressure in the Saigon sector continues to mount, U.S. Defense Department sources said. South Vietnamese intelligence men esti-

mate that already there are five Communist divisions in the Saigon area, including 200 tanks around Tay Ninh.

The present estimate of the Saigon command is that its forces could offer "adequate resistance" to a Communist offensive. American sources are inclined to agree. The consensus is that Saigon can be held on two conditions.

The first is that the military supplies promised by the United States begin to arrive in quantities sufficient for the effort to be left in front-line rifle companies, artillery batteries and fighter squadrons.

Ammunition Needs

The effective defense of Saigon is possible, these sources maintain, only if the defenders have very large quantities of ammunition of all kinds. A battle for the capital is likely to last for months and some officers thought that the outcome would depend on a continuous airlift of American supplies, including spare parts.

The second condition is morale. American sources hope that any South Vietnamese forces escaping from the north will not infect the Saigon garrison with the panic that apparently swept through many units. Such troops, they believe, should be retrained and indoctrinated before being sent to the front.

American military supplies should begin to arrive quite soon, the sources estimated. They believed that the supplies themselves would be a morale builder but they pushed the principal burden lay on the South Vietnamese commanders.

"Someone has to tell the troops that this is it," said an officer with long experience in Vietnam. "They've got to realize that if there are any miracles, they'll have to perform them; that although we're sending supplies, it's their battle."

Babies Die, Women Weep, Men Crumble on Last Danang Ship

(Continued from Page 1)

dren over the ship's side and into the hold like cattle.

Purser Clifford Rogers, 61, of Jacksonville, Fla., signed the barge when to hoist the net. Curving he pushed unloading people out of the way of the swinging cargo net.

There were wails, shouts, the cries of children. Pleas for water, food, a doctor filled the air. A woman in the hold held up a dead baby. She was hoisted back to the barge so she could leave the body there. It seemed better than dropping the baby's corpse over the side.

Half an hour after loading started, a woman gave birth in the hold. Carrying the baby in a peasant's conical straw hat, she brought it to the purser. He took it to the sick bay, washed it and, as he put it, "you're going."

At least four more babies were born during the night and the rest of the 17-hour voyage to Cam Ranh Bay. Probably twice as many died, were kissed goodbye by their weeping mothers and were slipped over the side.

On the lower deck, the crew's cabins and compartments were turned into a hospital.

A beautiful little girl, white-faced and unconscious, her breath coming shallowly, lay on the bank of electrician Philip Goodson, 35, of Manville, N.J.

"She's suffering from exposure. I gave her some sugar and water," he said. "She's a lot better now. Don't you think she's a lot better now?"

She died during the night.

Limited Gain By Opposition In Greek Vote

New Athens Mayor Is Papatheodorou

ATHENS, March 31 (UPI)—Candidates supported by opposition parties won the mayoralities in Athens, Patras and Volos and in Heraklion, Crete, in Greece's first local government elections in 11 years, officials said today.

However, they failed to capture a majority of the municipalities in yesterday's balloting.

In Athens, final results gave Socialist lawyer Ioannis Papatheodorou 53.5 per cent of the vote against 37.8 per cent for his main opponent, former mayor and resistance leader George Pylas.

The opposition-backed candidates in Volos, the largest city of Thessaly in central Greece, and Patras, the largest city in southern Greece, won by large majorities.

In Salonika, where no candidate won an absolute majority, there will be a runoff election next Sunday between the two leading candidates, Michael Papaioannides of the left and Dimitrios Zannas of the center. Runoff elections will be held in 78 other municipalities where candidates failed to achieve majorities.

The government of Premier Constantine Karamanlis appealed for nonpartisan elections but opposition parties, including the Communists, joined together to support "democratic cooperation tickets."

About 5 million Greeks voted to choose 45,000 local government officials in 264 municipalities and 5,776 smaller communities.

Center Union opposition party leader George Mavros, commenting on the results, said, "The victory of the democratic tickets throughout Greece should make the government draw the necessary conclusions."

According to Mr. Mavros, these conclusions were that "the results of the Nov. 17, 1974, general elections do not express the will of the people and cannot be the basis for the ratification of an unacceptable constitution."

The New Democracy party of Premier Karamanlis won an overwhelming victory at the polls last November. The new parliament, in which Mr. Karamanlis's party holds 220 of the 300 seats, was assigned the task of preparing and ratifying a new democratic constitution. Since then, the opposition has accused Mr. Karamanlis of aiming for a constitution giving excessive powers to the president of the republic and seeking the post himself.

Belgrade Protests

BEGRAD, March 31 (UPI)—Yugoslav's national news agency, Tanjug, today criticized France for permitting the activity of "terrorist pro-fascist organizations" on its territory and asked Paris to crack down on terrorist acts against Yugoslav diplomats.

Tanjug's appeal followed the shooting by unidentified gunmen in Lyons Saturday of Yugoslav Vice-Consul Miroslav Dugovic, whose condition today was still critical. Tanjug has blamed extremists for the attack.

A Yugoslav surgeon will arrive in Lyons early tomorrow to help treat Mr. Dugovic, 36, who was shot four times in his chest.

A South Vietnamese Army doctor, who had come aboard from a barge in pressed uniform and polished shoes, tended the sick in the barge. He pushed unloading people out of the way of the swinging cargo net.

The crew, against orders, raided the pantry. They boiled two buckets of eggs and gave them, with their milk ration, to the sick children.

But the Pioneer Contender, two months out from the West Coast, had barely enough supplies for the crew, let alone enough to feed thousands of refugees.

Before we had left Danang, a second barge pulled alongside with about 3,000 armed soldiers and their families. Soldiers kicked and punched their way to the gangway, which was rising and falling in the swell.

Butch Carnes, 31, of Newark, Del., stood on the gangway, disarming the soldiers—losing M-16s, pistols and grenades into the sea.

Dog Tries, Too

Havana Claim Expected

Compensation Issue Clouds
Renewal of U.S.-Cuban Ties

NEW YORK, March 31 (AP)—A stumbling block in any resumption of talks between the United States and Cuba involves the billions of dollars in claims lodged by U.S. citizens and individuals against the Cuban government.

The same time, Cuba is expected to ask Washington for more money in compensation for damages incurred by

S. Tribunal
Takes Action in
Cancer Cases

WASHINGTON, March 31 (AP)—The Supreme Court today, at least for the moment, stepped into two controversial areas: environmental protection and cancer-causing industrial

A court rejected a request for a preliminary injunction to stop the use of a chemical in the manufacture of vinyl chloride, a substance known to cause cancer in man in some studies.

The court also refused to set aside a decision by the Environmental Protection Agency to limit the use of workers in the plastic industry to vinyl chloride.

A government, defending its use of vinyl chloride, said that the substance is known to cause cancer in man in some studies.

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cause of the trade embargo and other hostile acts.

Secretary of State Henry Kissinger has said that the United States is "prepared to move in a new direction" in its relations with Cuba.

A crucial vote is expected at the May meeting of the Organization of American States on lifting the 11-year-old sanctions against Cuba.

Cuban officials have told U.S. visitors they are fully prepared to enter into talks over claims as part of a movement toward the normalization of U.S.-Cuban relations, which were broken in 1962.

44 for Every \$1

In its initial bargaining position, Cuba can be expected to counter U.S. claims for nationalized property on the island with claims that Cuba has suffered even greater losses through the impact of the trade embargo.

Recent visitors to the island have been told that Cuba may claim \$4 in damages for every \$1 sought by Washington.

Private U.S. claims certified by the government total \$18 billion. To offset inflation, the government has added 6-per-cent interest annually for 15 years for a total of more than \$34 billion.

That could mean a Cuban counterclaim of \$13.5 billion, using the 4-1 formula cited by Cuban officials.

A U.S. Cuba expert, who requested anonymity, indicated that Cuba's initial bargaining stand should not be taken too seriously.

Based on an analysis of official Cuban statements, this expert estimated that Havana ultimately would agree to pay U.S. claims between 50 and 40 per cent of the declared "fair" value of their properties.

Precedents suggest that such an offer would be acceptable to the United States. A State Department official said that negotiations with foreign governments usually conclude with U.S. claims receiving about 40 per cent of their demands.

Seal Condition

Cuba has repeatedly stated that its sole condition for discussing the normalization of relations is the repeal of the 1962 embargo. Beyond that, Cuba's negotiating position has remained largely secret.

Word of the Cuban position was reported by New York attorney David Lefevre, who, with his 91-year-old grandfather, Cleveland industrialist Cyrus Eaton, is one of a very small number of Americans with high-level contacts in Cuba.

Mr. Eaton, befriended Premier Fidel Castro in 1960 when the Cuban leader visited the United Nations and he has traveled to the island several times since then. Mr. Lefevre accompanied Mr. Eaton to Cuba in February, 1974, and returned there a month ago at the invitation of the Cuban government.

The law firm with which Mr. Lefevre works represents the Cuban Electric Co., which has a \$287-million claim against the Havana government. It is the largest of the 979 corporate claims against Cuba certified by the Foreign Claims Settlement Commission, a government agency. Before its nationalization in 1960, Cuban Electric provided more than 90 per cent of the electricity sold in Cuba.

Personal Visit

Mr. Lefevre said in an interview that the legal connection with Cuban Electric "was a factor in my background to which Cuban officials did not object." He said he did not go to Cuba on behalf of Cuban Electric's case for compensation but on a personal visit.

Mr. Lefevre said normalization is a goal shared by Cuban authorities. But after a one-hour conversation with Foreign Minister Carlos Rafael Rodriguez, he came away with the impression that Cuba's asking price will be high.

Mr. Lefevre said the officials made it plain that they feel that such hostile acts as the blockade, the Bay of Pigs invasion and espionage make the status of U.S.-Cuban claims unique. Cuba has settled claims lodged by Mexico, Canada and other countries with which it has maintained friendly relations.

"Since Cuba's claims for compensation against the United States exceed American claims against Cuba, in effect, Cuba is asking the U.S. government to compensate Americans who lost their properties in Cuba," Mr. Lefevre said.

State Department officials said they were unaware of Cuba's proposed plan to seek compensation. They declined to discuss U.S. terms for normalization.

U.S. Crime Rose
By 17% in 1974

WASHINGTON, March 31 (UPI)—Serious crime in the United States increased 17 per cent in 1974, the highest increase in 14 years, the FBI reported today.

Crime rose 6 per cent in 1973 and in 1972 it declined 4 per cent. Much of the 1974 rise resulted from a 19-per-cent increase in the last quarter, when unemployment first went above 8 per cent.

Murders were reported up 5 per cent; rape, 9 per cent; robbery, 14 per cent; and aggravated assault, 9 per cent. Property crimes rose even more—burglary up 17 per cent; theft, 20 per cent; and car theft, 4 per cent.



FISHING LINE—A trawler carries message from British fishermen who set up a blockade at Hartlepool harbor yesterday. They are seeking a ban on some fish imports.

U.K. Fishermen Blockade 40 Ports in North

ABERDEEN, Scotland, March 31 (AP)—More than 40 ports in north Britain were blockaded today by an armada of small fishing boats, a leader of the protest against foreign fish imports asserted.

Bill Hay, chairman of the fishermen's Aberdeen Action Committee, said 43 ports were affected and he felt certain the number would increase tomorrow.

Hundreds of little fishing boats, equipped with a week's supplies and "secret" sailing orders took to sea after midnight to begin the blockade.

During the day more of Britain's approximately 25,000 inshore fishermen pledged to join the protest. Leaders of the Northern Ireland fleet put finishing touches to blockade plans for the ports of Belfast, Larne and Warrenpoint, while men on England's south coast expressed their support.

1,000 to 1,500 Boats

Leaders of the protest, with headquarters in an Aberdeen hotel, estimated the blockade armada would number 1,000 to 1,500 boats by late today.

The fishermen say they are losing nothing by failing to put to sea with their nets. They say they have operated at a loss since the landing of frozen fish by subsidized foreign fleets undercut the market.

They want a ban on frozen fish imports from countries outside the European Common Market, notably Norway, Poland and Iceland, and a ban on fresh fish imports between April and October.

They have also asked the government to extend Britain's fishing limits from 12 to 50 miles.

Within hours of the armada's setting sail today, one of the blockades was broken when a 7,800-ton coal cargo ship nosed through 30 fishing boats strung across the entrance to the Tyne, in northeast England. A fishing boat was damaged in the incident but the blockade was resumed.

Aberdeen, one of Scotland's main ports and a supply center for the oil rigs in the North Sea, was sealed off by 80 small boats.

Crashes in Flames

The others killed today in the crash of the Swiss-made craft were P.O. Shand of New Zealand, the former Barbara Wylie, an ex-Peace Corps volunteer from Ypsilanti, Mich., and her Nepalese husband, A.G. Lama.

Airport officials said they heard

Rockefeller Unit
Investigating CIA
Extended by Ford

WASHINGTON, March 31 (UPI)—President Ford today extended the life of the Rockefeller Commission, which is investigating the Central Intelligence Agency, until June 6.

The commission had been scheduled to complete its work by Friday and was granted the extension at the request of Vice President Rockefeller.

"Work is progressing well and the final date [June 6] will be met," Mr. Rockefeller told reporters after announcing that Mr. Ford had made the extension.

He said that the commission's mandate had not been changed but that the panel was "reviewing any area where there is a possibility of impairment of domestic security."

Although Mr. Rockefeller did not say so, it was believed the investigation now includes reports that the CIA plotted the assassination of foreign leaders.

A spokesman for the panel said witnesses scheduled to testify today included Edward Bloustein, Rutgers University president; Arthur Miller of Harvard University; and William Van Alstine of Duke University, both law professors, and Dr. Orville Burton Jr., a sociologist and president of the Foundation for Child Development in New York City.

Easter Eggs Rolled
At White House Fete

WASHINGTON, March 31 (AP)—Despite a chill wind and the absence of President Ford and his family, a large crowd gathered at the White House today for the annual Easter egg roll. A man dressed as an Easter bunny strolled around shaking hands as youngsters rolled plastic eggs for prizes in 39-degree weather.

The Fords were in California for the holiday but the White House was open for special Easter Monday tours. In addition to the egg roll, for youngsters up to 8 years of age, magicians, clowns and a military band performed.

Wife, Daughter of Hillary,
3 Others Die in Nepal Crash

KATMANDU, Nepal, March 31 (AP)—The wife and daughter of Sir Edmund Hillary, the first conqueror of Mount Everest, were killed in an air crash here today while going to visit him on the slopes of the mountain, the world's highest.

Lady Louise Hillary and her teenage daughter Belinda were among five persons killed in the crash of a single-engine plane as it took off from Katmandu's airport.

Since January, Sir Edmund has been supervising the construction of schools and a hospital on Everest's slopes for the Nepalese Sherpas who helped him become the first man to stand atop the 29,028-foot mountain on May 29, 1953.

Sir Edmund, 53, had often left his New Zealand home to make world tours raising funds for the Sherpas' impoverished Himalayan villages.

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Obscene Calls
Upset Russian Phone Owners

MOSCOW, March 31 (AP)—The phone rings.

Its owner answers: "Hello."

Anonymous caller: "You are an ass."

Owner (angrily): "Who is saying this?"

Caller: "Everyone is saying it."

Portuguese Revolution Brings
Zeal and Fear to Rural Towns

GUIMARAES, Portugal, March 31 (UPI)—Along a wall of the Café Douro the authoritative old men—shopkeepers, landowners, doctors—sit in their heavy wool suits and fresh white collars, their authority shrunk away.

At a center table, four thin young men, one in a beret with a red star, gesticulate and make plans, but their authority has not really arrived.

Even in Lisbon the question of where the power of the Portuguese revolution will finally lodge—in one party, in several, in the armed forces alone—is not really clear.

In Guimaraes, a northern town, the ultimate direction of power shifts is quite obscure, as it is elsewhere in rural areas and small towns.

Changes take place but there is much that has not changed. Enthusiasm and forbidding live side by side, often in the same person. Radicals and reactionaries sit at the afternoon and evening in the Café Douro, among men, women and children, who consume coffee and honey cake, read the papers, gossip, do their homework and hardly look up when a waiter turns on the television news. A major is making a speech.

Jose Augusto Silva is a lawyer in his 30s who, a year ago, was in the opposition. Today he is, in effect, mayor of Guimaraes and the rural districts that surround it. The former local authorities were ousted soon after the military coup last April and the opposition groups chose a seven-man committee to replace them. He is the committee's president.

Mr. Silva, who was accustomed previously to the rather easy-going life of someone possessing both wealth and democratic convictions—except, therefore, from both government persecution and government service—has deep circles under his eyes.

"I don't know how the revolution is going," he said. "I know I'm tired. I don't have Sunday; I don't go to the movies; I sleep badly, eat badly."

The committee took over an administration that still functions. But Mr. Silva and his colleagues view their job as trying to arouse, for the first time, the active interest and participation of the community. "We are trying to get the people to decide

Court Bars Mitchell

WASHINGTON, March 31 (UPI)—The Supreme Court today ordered former U.S. Attorney General John Mitchell and his chief deputy, Robert Mardian, suspended from practice before the high court and gave them 40 days to show why they should not be permanently disbarred.

Both men have been convicted of charges in connection with the Watergate cover-up conspiracy.

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Because certain words are banned from use in a Soviet newspaper, the weekly Nedelya was forced to print that relatively innocuous conversation as an example of nuisance calls which harass some of the relatively few Soviet citizens who own phones.

In an outwardly puritanical society which bans sex movies, graphic books, obscene phone calls are still a fact of life. Here they are known as "telephone hooliganism."

The problem, however, does not seem as widespread as it is in some countries. One reason may be that there are fewer phones to call. About one of eight residents of Moscow owns a phone and the ratio is lower for citizens living outside the capital.

Directories Source

In addition, the distribution of phone directories is extremely limited, even for telephone subscribers. None are available in public places.

As Demonstrations Are Held
Shelepin Arrives Secretly by Air in Britain

LONDON, March 31 (Reuters).—Alexander Shelepin, the former chief of the Soviet secret police (KGB), secretly entered Britain today as a guest of the country's trade union leaders.

A Soviet airliner brought Mr. Shelepin, who is now head of Russia's labor administration, to London's Heathrow Airport. It taxied to a remote building where he was received in a lounge reserved for special arrivals.

The visit, which has aroused strong opposition here, was originally planned to begin Wednesday.

Control tower officials at Heathrow said they knew nothing about the incoming Soviet plane until 40 minutes before it touched down.

Met by Officials

Mr. Shelepin was met at the secluded lounge by Soviet Ambassador Nikolai Lunov and Len Murray, general secretary of Britain's Trades Union Congress.

Meanwhile, demonstrations were staged in London against the visit, which no one knew had already started.

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Mr. Shelepin's visit, which will



Alexander Shelepin

probably include trips to factories, has been opposed by many Britons as well as immigrant groups.

Served Khrushchev

MOSCOW, March 31 (AP)—Mr. Shelepin, 56, the youngest member of the ruling Communist party Politburo, served for three years under former Premier Nikita Khrushchev as chairman of the Committee for State Security.

Mr. Shelepin's administration had been deliberately subdued at a time when memories of Stalin's secret police were fresh.

Under Mr. Khrushchev's de-Stalinization program of the late 1950s, Mr. Shelepin was responsible for dismantling much of the independent power amassed by the secret police under his predecessors.

Mr. Shelepin, who was 40 when he was promoted to head the KGB in 1958, had the task of making the police more responsible to party control. He also tried—however questionable the results—to project an image of KGB men as likable, dedicated professionals.

This facade could be offset with toughness, as exhibited in 1959 when his public remarks that Mr. Khrushchev's enemies should be shot were considered excessive enough to be censored by the Communist party newspaper Pravda.

Mr. Shelepin's administration was marked by few examples of known ruthlessness. An exception was the assassination in West Germany in 1959 of the Ukrainian nationalist leader, Stefan Bandera.

After Mr. Bandera's murder, Mr. Shelepin personally decorated Bogdan Stashinsky, the agent who later fled to the West and confessed to the murder.

Portuguese Revolution Brings
Zeal and Fear to Rural Towns

GUIMARAES, Portugal, March 31 (UPI)—Along a wall of the Café Douro the authoritative old men—shopkeepers, landowners, doctors—sit in their heavy wool suits and fresh white collars, their authority shrunk away.

At a center table, four thin young men, one in a beret with a red star, gesticulate and make plans, but their authority has not really arrived.

Even in Lisbon the question of where the power of the Portuguese revolution will finally lodge—in one party, in several, in the armed forces alone—is not really clear.

In Guimaraes, a northern town, the ultimate direction of power shifts is quite obscure, as it is elsewhere in rural areas and small towns.

Changes take place but there is much that has not changed. Enthusiasm and forbidding live side by side, often in the same person. Radicals and reactionaries sit at the afternoon and evening in the Café Douro, among men, women and children, who consume coffee and honey cake, read the papers, gossip, do their homework and hardly look up when a waiter turns on the television news. A major is making a speech.

Jose Augusto Silva is a lawyer in his 30s who, a year ago, was in the opposition. Today he is, in effect, mayor of Guimaraes and the rural districts that surround it. The former local authorities were ousted soon after the military coup last April and the opposition groups chose a seven-man committee to replace them. He is the committee's president.

Mr. Silva, who was accustomed previously to the rather easy-going life of someone possessing both wealth and democratic convictions—except, therefore, from both government persecution and government service—has deep circles under his eyes.

"I don't know how the revolution is going," he said. "I know I'm tired. I don't have Sunday; I don't go to the movies; I sleep badly, eat badly."

The committee took over an administration that still functions. But Mr. Silva and his colleagues view their job as trying to arouse, for the first time, the active interest and participation of the community. "We are trying to get the people to decide

Court Bars Mitchell

WASHINGTON, March 31 (UPI)—The Supreme Court today ordered former U.S. Attorney General John Mitchell and his chief deputy, Robert Mardian, suspended from practice before the high court and gave them 40 days to show why they should not be permanently disbarred.

Both men have been convicted of charges in connection with the Watergate cover-up conspiracy.

Obscene Calls
Upset Russian Phone Owners

MOSCOW, March 31 (AP)—The phone rings.

Its owner answers: "Hello."

Anonymous caller: "You are an ass."

As Demonstrations Are Held
Shelepin Arrives Secretly by Air in Britain

LONDON, March 31 (Reuters).—Alexander Shelepin, the former chief of the Soviet secret police (KGB), secretly entered Britain today as a guest of the country's trade union leaders.

A Soviet airliner brought Mr. Shelepin, who is now head of Russia's labor administration, to London's Heathrow Airport. It taxied to a remote building where he was received in a lounge reserved for special arrivals.

The visit, which has aroused strong opposition here, was originally planned to begin Wednesday.

Control tower officials at Heathrow said they knew nothing about the incoming Soviet plane until 40 minutes before it touched down.

Met by Officials

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Meanwhile, demonstrations were staged in London against the visit, which no one knew had already started.

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Mr. Shelepin's visit, which will

Source Besides Iran

Israel Wants Oil Guarantee
Return for Fields in Sinai

By Richard Homan

SALEM, March 31 (UPI)—Israel is not prepared to return oil fields to Egypt unless it is guaranteed an alternative source, in addition to Iran, for its petroleum needs, it was reported yesterday.

Guarantees would almost have to be an agreement that Israel could buy oil in the world market, and not to fear an Arab boycott, reprisals against other sources, according to Zvi Dinstein, deputy finance minister, who is now the govern-

Egypt Offers
Assurances
Militants

March 31 (AP)—An Egyptian political agency sought to reassure Arab militants that President Anwar Sadat's decision to reopen the canal does not amount to a return to the state of war with Israel.

Abdel Kuddous, chairman of the semiofficial newspaper, Al-Ahram, also indicated that Sadat's announcement of a three-month extension of the United Nations peace-keeping force in the Sinai Desert was made without consultation with the Egyptian government.

Egypt's main ally in the Arab world, the Soviet Union, announced Saturday that the canal, closed since 1967, war, would reopen and that the UN force would be allowed to stay for months after the present 10th mandate expires April 1.

Another development today, Egyptian parliament urged government to maintain its position with the United States, interests of a peace settlement.

The call was made in a session supporting the decision to reopen the canal and extend the UN mandate.

Kuddous wrote that, from any point of view, reopening the canal was a defensive move aimed at making Israel twice before launching an attack.

Offensive by Israel would be in an aggressive position, countries interested in navigation in the canal.

At the same time, would Egypt militarily in initiating or repelling an attack.

Remarks were apparently at the leaders of Syria, Iraq and the Palestine Organization, who criticized Mr. Sadat's attempt to reach limited agreement with Israel.

Juddous said the extension of peace-keeping mandate amounted to prior agreement with Syria since it was giving a chance for reopening the Geneva peace conference, which Syria views as the only way of solving the Middle East.

He implied there had been no solution with Syria, whose position for the UN peace force on the Golan will expire May 31.

U.S. Envoys Recalled
WASHINGTON, March 31 (AP)—The State Department said it has recalled its ambassadors to Egypt, Jordan and Syria to assist assessment of policy in the East in the wake of the Secretary of State Kissinger's peace mission.

Department spokesman said ambassadors were asked to back this week on a mission in connection with our review, which President ordered.

Hits Reports
Russia Linking
Saudi Killing
WASHINGTON, March 31 (AP)—A State Department spokesman said today that suggestions in Soviet newspapers of CIA involvement in the assassination of King Faisal of Arabia represented a "malicious fabrication."

Officer Robert Anderson, he said, said that "our views will be known to the Soviet Union if they have not already been known."

Mr. Anderson did not know Secretary of State Henry Kissinger had discussed the assassination with Soviet Ambassador Dobrynin at St. Petersburg.

The Russian said that the assassination was on the agenda of the meeting.

Anderson's comment was one to a question about the CIA had been involved in the assassination.

The following similar ones published last week.

ment's chief adviser on oil and energy.

Mr. Dinstein and other government officials said that, although Israel had expressed its readiness to return the fields to Egypt as part of the next step of a settlement, discussion of the subject during Secretary of State Henry Kissinger's final round of shuttle talks did not touch on the question of alternative sources.

The Abu Rudeis oil fields on the Gulf of Suez, captured by Israel in 1967, supply nearly 55 percent of its oil needs. Since Israel uses little coal, has no hydroelectric plants and is at least seven years away from its first nuclear generating facility, the oil produced by Abu Rudeis accounts for about half of the country's energy consumption.

Supplier Unnamed
Israel imports the remaining 45 percent of its crude oil needs, most of it from Iran, although Mr. Dinstein and other officials would not identify Iran as the supplier, preferring to say simply that the oil comes from "Persian Gulf sources."

After Israel stressed to Mr. Kissinger earlier this year the importance it attached to maintaining a reliable source of oil, Mr. Kissinger met with the Shah of Iran in Zurich. The Shah then indirectly indicated that Israel could be sure of continuing to receive Iranian oil, saying that Iran did not care who bought it as long as it was paid for.

To many officials in Washington, this and a U.S. move to help Israel finance the increased imports that would result from relinquishing the oil fields, seemed to clear the way for Israel to return Abu Rudeis to Egypt as part of a larger settlement.

Mr. Dinstein said, however, that "when it comes to the conference table," it was "inconceivable" that Israel would give up its major source of supply "and run the risk of the following day being the victim of an Arab boycott."

Israel, he said, would require "provision for guaranteed alternative sources."

Too Dependent
Asked whether a guarantee that Israel could purchase all of its crude oil from Iran would suffice, he said, "We can't be dependent on the Persian Gulf sources alone."

Israel, he said, "must be able to buy normally" on the world market, with assurances that international companies "must not be afraid of reprisals by Arab countries."

Mr. Dinstein denied rumors in international circles that Israel had sharply stepped up production from Abu Rudeis, threatening to deplete the field's reserves before it is returned to Egypt.

Israel's production is 75,000 to 80,000 barrels a day, about the same as it was when Egypt controlled it, he said, and the field's operators are under instructions to combine "optimum production with normal conservation measures."

To guard against a new fuel crisis, Israel has placed an unusually large strategic reserve in storage, adopted fuel conservation measures, embarked on a greatly stepped up exploration program and worked out an arrangement whereby it uses its own surplus refining capacity as an inducement to assure continued crude oil supplies from international brokers.

Official sources said Israel is "maintaining higher reserves than countries normally do."

Mozambique Marking Time
Until Independence in June

By Tom Lambert

BEIRA, Mozambique, March 31.—This is the time of waiting in Mozambique—of black anticipation and white apprehension.

Fretilimo (the Front for the Liberation of Mozambique) will take over this country on June 25 from the Portuguese, who have held it almost 500 years. But Portugal's own rebellion at home, among leftist army officers overthrew their government last April.

Fretilimo, a black guerrilla force, has been fighting for 10 years.

Today, no one in this 1,500-mile-long, predominantly tropical country lying along the Indian Ocean knows precisely who or what Fretilimo is or will do or what will happen on June 25 or thereafter.

There will be freedom celebrations here, on the plateau and in the jungle villages and coastal towns, and in the capital of Lourenço Marques—celebrations arranged by Fretilimo's "dynamic committees," now busily propagandizing its estimated 9 million blacks.

Fretilimo leader Samora Machel and his top aides are expected to arrive in Lourenço Marques from neighboring Tanzania to assume their one-party, far-left rule of this country.

Almost certainly, Mr. Machel will be independent Mozambique's first president.

There will be singing and black cries of exultation and Portuguese tears as Portugal's flag is hauled down and Fretilimo's green, white, yellow, red and black flag is hoisted, a new national anthem is played and a new black state is born.

"It will all go well, no trouble,"



SPRING SIGN—Sunlight filters through tendril of a dandelion in Decatur, Ala., indicating a warm spring.

'Generous' Soviet Aid Offers
Reported by Lisbon Minister

LISBON, March 31 (UPI)—Maj. Jose Costa Martins, the labor minister, returned today from talks in Moscow with what he called generous offers of Soviet aid and cooperation.

"In the sphere of economic and commercial cooperation and in the spirit of collaboration and goodwill and aid from the U.S.S.R. to Portugal, the results were highly positive," he told reporters.

The major said his delegation also held talks with Soviet military officials but called these meetings courtesy calls.

The labor minister's one-week trip appeared certain to fuel diplomatic speculation over Portugal's future in the Western Alliance and the possibility of the country's granting supply facilities on Madeira Island to Soviet shipping.

Silent on Aid
Maj. Costa Martins declined to say whether he had received specific aid offers during his talks with Soviet leader Alexei Kosygin, but said, "The affairs discussed had a generous character."

He alluded to the possibility of Soviet experts coming to Portugal for discussions on aid projects.

Portugal's contacts with the Soviet Union have been increasing in recent months. Diplomats said the country's shift to the left, reflected in the installation last week of a Cabinet heavily weighted with Communists and their allies, will probably accelerate this trend.

Tie to NATO
The shift has been accompanied by a deterioration in Portugal's relations with its 14 partners in the North Atlantic Treaty Organization.

Portugal's rulers have consistently said the country would honor its "with NATO, but their statements have done little to diminish speculation to the contrary at NATO headquarters in Brussels.

Information Minister Jorge Cordeiro Jesuino acknowledged NATO's preoccupation but said he believed its fears were exaggerated.

"We are not interested in changing the balance of power in the world," he told newsmen.

attending a briefing for foreign correspondents.

A Different Democracy
LISBON, March 31 (Reuters).—Portugal will not have the same type of democracy as the rest of Western Europe, Communist party leader Alvaro Cunhal said in a weekend speech reported here today.

The Communist minister without portfolio, in a speech at Sebal, distributed by his party, condemned the bourgeois democratic regimes of Western Europe, which he said "serve and conceal exploitation of the workers by monopolistic capital."

He said Portugal would have liberty of the press, freedom to organize political parties and, unlike bourgeois democracies, democratic economic and social transformations which would put the country on the path to Socialism.

Ben Hibbs Dead;
Edited Saturday
Evening Post

NEW YORK, March 31 (UPI)—Ben Hibbs, 73, a former editor of the Saturday Evening Post, died yesterday of leukemia at his home in Penn Valley, a Philadelphia suburb.

Mr. Hibbs, who had worked as an editor of the Reader's Digest after leaving the Post in 1962, retired in 1969.

A native of Pontiac, Kan., he was educated at the University of Kansas and worked for Midwestern and Southern newspapers before joining the Curtis Publishing Co., an associate editor of its Country Gentleman magazine in 1927. He was promoted to editor in chief in 1940 and became editor of Curtis's Post in 1942. He was credited with improving the magazine's content, winning increased advertising and a doubled circulation in his 20 years there.

The old Post folded in 1969 and a different firm has revived the magazine.

Maj. Yousef Sediek
CAIRO, March 31 (AP)—Maj. Yousef Sediek, 57, a member of the Egyptian Revolutionary Command Council that overthrew King Farouk in July, 1952, died today. He resigned from the council in February, 1953, after clashing with the late President Gamal Abdel Nasser, and was jailed several times during the Nasser era.

Faud Yakubovsky
MOSCOW, March 31 (AP)—Faud Yakubovsky, 66, Soviet Minister of Installation and Special Construction Work, died last week. Pravda reported.

Lebanon Reports
Artillery Drives
Back Israeli Unit

BEIRUT, March 31 (UPI)—A military communiqué said Lebanese artillery fire repelled an Israeli commando unit that crossed the border twice today to plant mines.

The communiqué said the Israeli force, which was estimated at 20 soldiers, crossed 50 yards into Lebanon near the village of Al-Bustan in the Tyre region.

"Our gunners opened concentrated fire and an ambulance was seen rushing to the enemy force." The communiqué said the Israeli patrol later withdrew under artillery cover.

Israel Reports Firing
TEL AVIV, March 31 (Reuters).—Several artillery shells were fired from Lebanon today at civilians working on a security fence near the border settlement of Adamit, Israeli military sources said. There were no injuries and fire was returned, they added.

The sources denied that Israeli soldiers twice entered Lebanese territory.

Jewish Graves Vandalized
PRAGUE, March 31 (UPI).—Vandals smeared anti-Jewish slogans and swastikas on almost 300 graves during the Easter weekend in three of the city's Jewish cemeteries, police said today.

BELGIUM

Industrious,
Flamboyant,
Little-Seen
Architecture

By Jan Sjöby

BRUSSELS (UPI)—The inhabitants of the nine provinces of the "Southern Lowlands," since the 1830 revolution better known as Belgians, have perhaps been Europe's most industrious and flamboyant builders, in styles ranging from Roman to Renaissance, Gothic to Renaissance, baroque to rococo, neoclassic to art nouveau to latter-day glass-and-concrete.

Belgium's national Year of Cathedrals and City Halls was officially opened last week with ceremonies in the cathedral of St. Michael and Gudule in Brussels and the nearby City Hall in the Grand Place. Attending were Leo Josef Cardinal Suenens and Albert, Prince of Liège.

"We have so many treasures to show the world," said Jean Goyon, spokesman for the Ministry of Communications. "Art historians and aestheticians know about them, of course, but we feel that our sacred and secular architecture don't really get the full attention they deserve by the average traveler. He doesn't generally realize that when he enters the center gate reserved for the mayor and the aldermen, the side doors for the clerks—may be seen, however, at the Louvre and the Victoria and Albert Museum.

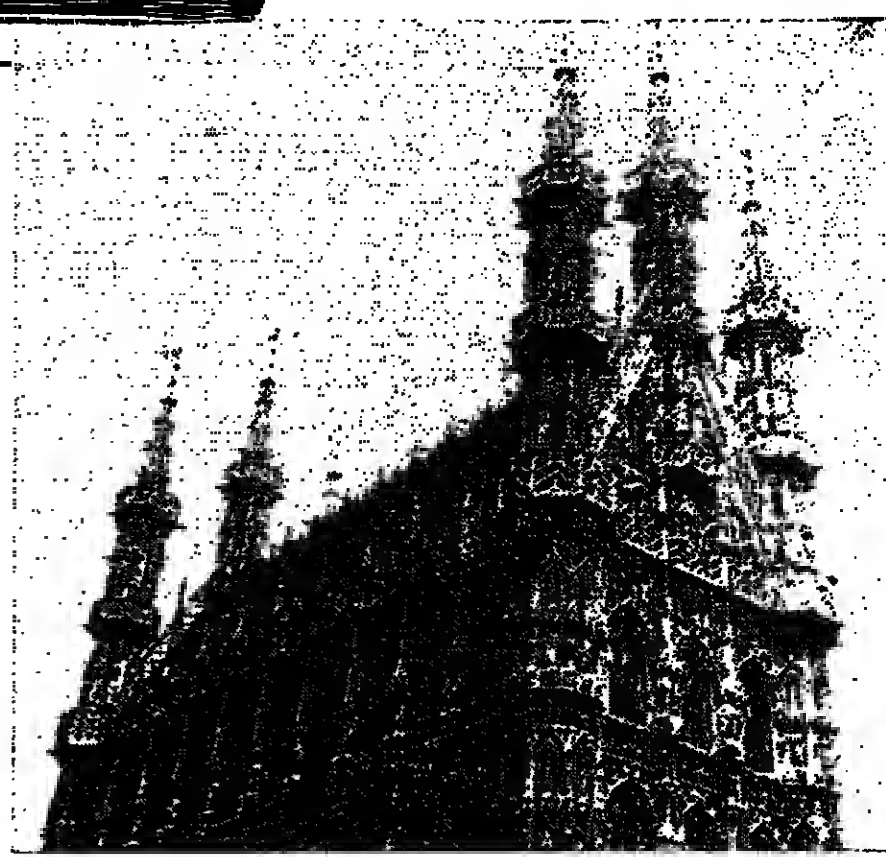
They are likely to miss Mechelen (Malines in French), halfway between Brussels and Antwerp, with its City Hall and the Cathedral of St. Rumbout, the Mecca for carillon fans around the world and once famed by French Marshal Vauban as "the 6th wonder of the world," noting that the foundations of the 32-foot tower—housing the 39-ton carillon—go down 5,224 feet below the ground.

Quick Look
A casual visitor to Belgium takes a quick look at the Grand Place and its towering City Hall, proceeding uphill to the Cathedral of St. Michael and Gudule. If time permits, he may take a look at the famous cathedrals of Antwerp, Tournai and Tongeren, the latter two cities believed to be the oldest in the Southern Lowlands.

Travelers breezing through on the superhighways from, say, Amsterdam to Paris or from Oostende to Cologne or Bonn, tend to forget all about the Churches.

Heavy Bombings
A casual visitor may never realize that the five-towered Cathedral of Tournai—which survived the heavy bombings of 1940—houses masterpieces such as Rubens' "Purgatory" and Jordaens' "Crucifixion."

The City Hall at Leuven, Belgium.



Of Our Lady in tiny towns such as Lissewaert, Damme and Den Dendermonde.

The latter also sports a magnificent city hall, believed to be the oldest such edifice in Belgium.

They tend to bypass the City Hall in Oudenaarde. The council chamber contains, among other things, a magnificent Moorish ebony cupboard, loaded with secret compartments and featuring a mirrored center cabinet, showing the full glory of the mosque (later cathedral) of Cordoba. Faithful copies of the elaborate entrance to the chamber—the center gate reserved for the mayor and the aldermen, the side doors for the clerks—may be seen, however, at the Louvre and the Victoria and Albert Museum.

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Many of the religious edifices in the Lowlands were looted and despoiled by the soldiers of the French Revolution in the late 1700s, who carried off what could be possibly carried off by a reasonably muscular man. Others

He may not observe that recent archaeological excavations in the partially destroyed, partially rebuilt, collegiate church of St. Gertrude in Nivelles have uncovered at least two previous churches, the oldest, a few floors below the level of the present church containing the graves of St. Gertrude (638-659), the founder of the Nivelles religious community; Hemaltrude, first wife of Charlemagne; and Ermentrude, granddaughter of Hugh Capet.

The central tower of the Nivelles church, incidentally, was originally built in Romanesque style and later rebuilt in soaring Gothic. It was completely destroyed by German bombs during the 1940 blitz and the Nivelles have been arguing ever since the 1944 liberation to rebuild it in original Romanesque or in Gothic. It became, indeed, a major issue in the tiny Brabant town, and late last year a public referendum was held to decide the question. About 61 per cent of the electorate turned up at the polls, 4,022 voting for Romanesque, 2,743 for Gothic (mainly elderly people who nostalgically remembered the Gothic spire from their younger days) and 115 for no tower whatsoever.

For the general public, a 40-page booklet has been prepared (also in four languages), available free of charge from the Belgian National Tourist Offices in Brussels and abroad.

In connection with the "Year of Cathedrals and City Halls" a number of special events—exhibitions, concerts, processions, sound-and-light shows, thematic festivals and guided tours—will be arranged throughout the country.

Opera's finest new productions, with as fine a cast as could be assembled anywhere in the world today. The opera itself turned out to be ideally suited to film production. It has a strong story line, carrying distinctive and believable characters from setting to denouement with almost no digression. The words, consequently, are more important than in many operas, "Il Trovatore," for example, and it was far easier to follow them, because of the reduced distance, than in the opera house. Subtlety, too, was a superfluous qualification.

A single two-minute interval was a blessing to those accustomed to Covent Garden's intervals of 25 minutes and more, and with no crowding at the bar.

ENGLAND: Example of the Best Way to Film an Opera

By Henry Pleasants

LONDON, March 31 (UPI)—BBC-TV returned to the Royal Opera House, Covent Garden, Saturday night after an absence of five years and demonstrated more convincingly than it has ever been demonstrated before that the best way to film an opera is to shoot an actual performance in an opera house.

In some way, indeed, John Ver-

non's "Presentation" of the Royal Opera's new "Un Ballo in Maschera" was both more enjoyable and more rewarding than it was at the opening two months ago. One was aware, at first, of the old problem of contracting a stage spectacle to the dimensions of a small screen, the problem, for the listener and viewer, of reconciling what he hears from the box and sees on the screen with what he knows to be audible and visible in the house. But so intelligent

and discreet was the management of the cameras, and so knowledgeable and shrewd the monitor's selection of what should be brought to the viewer's attention, that in the end one had the impression of being in the house without the perceptual disadvantages inherent in the distance between stall and stage.

Verdi's "Un Ballo in Maschera" proved to be either a wise or a lucky choice, or both, and not just because this is one of the Royal

Opera's finest new productions, with as fine a cast as could be assembled anywhere in the world today. The opera itself turned out to be ideally suited to film production. It has a strong story line, carrying distinctive and believable characters from setting to denouement with almost no digression. The words, consequently, are more important than in many operas, "Il Trovatore," for example, and it was far easier to follow them, because of the reduced distance, than in the opera house. Subtlety, too, was a superfluous qualification.

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At National Symphony

Rostropovich Accepts U.S. Conducting Post

By Paul Hume

WASHINGTON, March 31 (UPI)—Mikhail Rostropovich, the Russian cellist, has accepted the post of music director and conductor of the National Symphony Orchestra, beginning with the season of 1977-78. He will succeed Antal Dorati, who may remain associated with the orchestra as "principal" guest conductor.

The appointment, for two years, of Rostropovich comes six months after he and his wife, soprano Galina Vishnevskaya, and their two daughters left Moscow to protest the Soviet Union's lack of artistic freedom. Vishnevskaya was, until restricted by Russian officials, the leading soprano of Moscow's Bolshoi Opera.

Rostropovich has not said that he intends to remain in permanent exile from the Soviet Union. However, last October in West Germany, he said that he would return to Russia only if granted unlimited freedom to perform.

Turned 45
Rostropovich, who turned 45 last Thursday, made his American conducting debut with the National Symphony on March 5, scoring a triumph. Informal conversations which had been going on prior to that time soon turned to formal negotiations which reached a successful conclusion Friday.

With his accession to the post of conductor of the National Symphony, Rostropovich will become the first musician of this century to move directly from the solo spotlight to the conducting podium.

David Lloyd Kreger, president of the National Symphony Association, said in a written statement, "The entire board of the National Symphony, as well as the members of the orchestra, are thrilled that our negotiations came to a satisfactory conclusion. We believe that under the inspired leadership of Maestro Rostropovich the National Symphony—led so brilliantly for the past five years by Antal Dorati—will take its place among the top two or three greatest orchestras of the world.

Appropriate Successor
"The overwhelming response to Rostropovich's American conducting debut here in Washington by the critics, the public and the orchestra made it clear to the board of directors that this is an entirely appropriate successor when Maestro Dorati retires as music director."

In a statement from Stockholm, where he was guest conducting, Dorati said that he welcomed the idea of Rostropovich taking over the National Symphony at the end of his contract, for which he had been offered an extension through 1977-78. Dorati also is conductor of London's Royal Philharmonic Orchestra.

Rostropovich will continue to play the cello along with his conducting. But last week in Philadelphia, he told an interviewer, "From now on, I want to be a conductor most of all."

Forest Ranger Bill Craig said that the movie has been a major source of annoyance to residents along the river, which separates Georgia from South Carolina.

"It attracted a bunch of people that felt they had to test themselves against the river," he said. "People just do not realize how rugged the river is."

19 Die Trying
To Ape Feats in
'Deliverance'

WALHALLA, S.C., March 31 (UPI)—Nineteen persons have died on the Chattooga River trying to match the canoe feats of the movie "Deliverance," which was filmed there, and the U.S. Forest Service is trying to stop the deaths.

Forest Ranger Bill Craig said that the movie has been a major source of annoyance to residents along the river, which separates Georgia from South Carolina.

"It attracted a bunch of people that felt they had to test themselves against the river," he said. "People just do not realize how rugged the river is."

The river has 6-to-8-foot straight drops," he said, "which I don't think I'll ever be competent enough to take in a canoe."

Residents who have fished, swum and boated in the river all their lives are annoyed by the Forest Service plan to limit access to the Chattooga, which Congress has designated one of America's seven "wild and scenic rivers."

The Forest Service has imposed strict regulations in an attempt to cut down the deaths and injuries on the river. All persons must wear lifejackets and persons in kayak-type craft must wear helmets to protect their heads in case they roll over.

Sculpture Exhibition
PARIS, March 31 (UPI)—An exhibition of 18 pieces of sculpture by the Dutch artist Kees Verkade is opening Wednesday at the Well Gallery, 26 Avenue Maignan, Paris 8. The show will run for two weeks.

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0%	4%	Consolidated	40	18	225	710	710	750	11%	24%	Dichlorophenyl	40	8	62	9%	8%	8%	9%	34	77%	Phenol	1.10	9	11	31%	31%	31%

[illegible]

Toronto Stocks

Closing Prices, March 31, 1975

LIVE BEEF CATTLE (40,000 lbs)				High Low Last Chg				High Low Last Chg							
Apr	42.20	42.55	43.00	42.30	41.25	298	299	298	650	510	W Can	8	24 1/2	24 1/2	0
Jun	42.10	42.77	42.05	43.00	41.75	759	Abbey	Glen	200	200	200	200	200	200	200
Aug	42.10	40.88	42.05	42.50	41.25	8101	Abitibi		1	124	134	134	134	134	134
Oct	42.10	42.30	42.30	42.00	41.00	200	Acklands		1	124	134	134	134	134	134
Dec	42.10	42.30	42.30	42.00	41.00	1000	Acres	Lot	1	124	134	134	134	134	134
Feb	39.25	39.62	39.10	39.45	39.00	1387	Agnico	E	5	54	54	54	54	54	54
Mar	39.25	39.62	39.10	39.45	39.00										

Source: April 1, 1975, The Montreal Star, page 256.

[illegible][illegible]

By Buying Entire Bond Issues

French Bankers Bypass Arab Boycott Blacklist

By Clyde H. Farnsworth

PARIS, March 31 (AP)—An action in investment banking in the French get around the Arab boycott blacklisting—controlled banks in the action of corporate borrow-

mail group of banks is up an entire issue of to be offered by a corporate. Each bank in this is then free to bring in banks, which may or may on the blacklist, to help write and distribute its of the issue without con- other members.

blacklist was disclosed this year when Kuwait told banks that Arabs would participate in syndications three Jewish-controlled were kept out.

three were S. G. Warburg of London, the Rothschild houses in Paris and a and Lazard Frères of

er the new procedures these may form part of the ate because the name of an bank will not appear on a with a blacklisted insti-

Procedure Illustrated way it works in practice is in a new issue that has been placed by Charbonnages, France, the nationalized oard. This organization is ing 80 million francs for years and will be paying per cent interest.

six banks are named as writers, and these six have up the entire issue. Each free to work with its own ally selected group.

leading manager in the e la Banque de l'Union enne. Two Arab banks are the managers—the Intra-

olated net profit fell to ion yen (\$19.7 million) in unuary quarter from 11.04 yen a year earlier.

olated sales declined to billion yen in the first r "om 110.65 billion yen a arlier.

company's sales decline was y due to a slump in domes mend. Sales at home fell 10 billion yen in the three ended January from 65.11 yen a year earlier.

over in the year-end quarter was exceptionally however, as consumers

Living Cost Up JRD, March 31 (AP-DJ)—s cost of living index rose cent in February and 2.2t in the first two months year, a provisional govern-report said today.

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Reuss Asks Fed To Curb Banks

WASHINGTON, March 31 (AP)—The chairman of the House Banking Committee has urged the Federal Reserve Board to begin to supervise and regulate foreign-exchange trading by banks.

The request was made in a letter from Rep. Henry Reuss, D-Wis., the committee chairman, to Arthur Burns, chairman of the Federal Reserve Board. Rep. Reuss made the letter public.

He said that currency trading "is an area where the Federal Reserve should closely supervise the activities of member banks, and yet the policy seems to be one of hands off."

Citing losses of the Franklin National Bank and others, Rep. Reuss said: "There is ample evidence that banks have been in the past, and may still be, exposed to potentially heavy foreign-exchange losses."

U.S. Drug Firms Rush to Ireland

NEW YORK, March 31 (AP-DJ)—U.S. drug makers are flocking to build plants in Ireland, reflecting investment attractions that include a 15-year exemption from Irish taxes.

Firms with major manufacturing projects planned, building or in production include Syntex Corp., Merck, Sharp & Dohme, Smith Kline & French Laboratories, Pfizer Inc., Warner Lambert Co., Linsco, Armour Pharmaceutical, Schering Plough Corp., Abbott Laboratories, Hollister Siler Laboratories Inc., Becton Dickinson & Co., Technicon Corp. and Beckman Instruments Inc.

"In the past 18 months, new investment in pharmaceutical production in Ireland totaled nearly \$300 million," reports an official of Ireland's Industrial Development Authority. Besides the predominant U.S. concerns, drug producers headquartered in Britain, Sweden, West Germany and Italy are participating in the investment rush.

The surge partly reflects investment attractions that are not available only to drug makers. In addition to the exemption from taxes, grants can be negotiated with the Irish government. Such incentives attract any type of industrial operation, but there is special interest among the pharmaceutical makers, the Irish development group says, because drugs and similar products have a "high added-value content."

This means that they can be produced from inexpensive Irish raw materials and turned, by high technology processes, into products that

can be sold at a considerably higher price. In addition, little bulk is involved, so transportation costs to the Continent are not an important consideration, as they would be for high-bulk, low-technology products.

There is also the availability of relatively low-paid, yet highly skilled workers, including scientists and technicians graduated from Irish universities. Other countries might offer lower wage scales, drug firm executives say, but they do not offer the amount of education and literacy found in Ireland.

Not surprisingly, the desirability of Ireland for the manufacture of high-technology products has also attracted several companies that make sophisticated hospital equipment and medical devices including Becton-Dickinson, Howmedica, Baxter Laboratories, Abbott Laboratories and Beckman Instruments.

"The people at the Irish Development Authority are very bright, aggressive and imaginative," says an executive of a U.S. drug company that recently committed more than \$60 million to new Irish manufacturing facilities. "And what's more, they want you."

A decade ago, Ireland's exports of drugs and such products as insecticides, pesticides, steroids and other so-called fine chemicals amounted to only about \$4.5 million yearly. Now, the total runs more than \$140 million annually, up almost 300 per cent in the past four years alone. By 1980, the Irish government estimates, annual exports will reach close to \$500 million.

Most Think U.S. Shares Are Heading Higher

Wall St. Attracts European Fund Managers

PARIS, (NYT)—Many European money managers are putting more of their clients' funds into American securities, contending that economic prospects in the United States have improved and that additional gains can be made from what they expect will be a stronger dollar.

Telephone interviews with specialists in West Germany, France, Switzerland, Italy and Britain found a majority heavily committed in the market in New York, convinced that American shares are headed higher.

Some expressed worry about higher interest rates later in the year, but most said this was a problem for 1976 and should not weigh on the market now. Most said that they saw still lower rates of inflation and few expressed worry about international setbacks for the United States.

"Reverses in the Middle East and East Asia should not affect the market much, unless of course there is a new war or oil embargo," said a German manager.

"We have been very bullish on Wall Street in this bank and still are bullish," said William Wirth, research director at the Swiss Credit Bank, one of the major Swiss banks.

"Practically all the new funds we invest outside of Switzerland are being put into New York," he disclosed.

Expanding investment Hekkehart Schwartzkopf, of Sal Oppenheim Jr. & Co., said the Cologne investment bank is increasing the proportion of American investments of funds under bank management from 10 per cent to 20 per cent.

"We look at the market from the monetaristic side," Mr. Schwartzkopf said. "The national bank is obviously on the expansionary side. So is the government because of tax repayment credits. All this will encourage demand and lead to an upturn."

The views were not unanimous, however. Enrico Braggiotti, general manager of Banca Commerciale Italiana, expressed strong reservations. "This is just a monetary market," he said. "As long as interest rates go down, the market goes up."

He continued: "I don't think it is reasonable to advise our customers to buy American securities now. With heavy borrowing by the Treasury and corporations, interest rates will go up again. At the same time many American companies will be financing through new equities. And there are too many uncertainties hanging over the economic and political situation."

Mr. Braggiotti said that he is Japan's Growth Expected to Be 2 Per Cent in '75

TOKYO, March 31 (Reuters)—Japan's real economic growth during the 1975 fiscal year starting tomorrow will be slightly above 3 per cent, compared with an estimated decline of 1 per cent in the current year, the Ministry of International Trade and Industry forecast today.

The 1976 growth will be lower than the 4.3 per cent officially projected by the cabinet last December because of continued recession coupled with prospects for rising prices, it said.

Real growth of 5 per cent will follow in 1976, when the present "interim" period of transition from fast growth to stable growth is expected to come to an end.

From the 1977 financial year onward, the economy is expected to grow an average 7 per cent a year, the ministry said.

advising foreign clients to "stay liquid for the next month." Exchange controls restrict the amount of money Italians can invest abroad.

Claudio Segra, president and director general of Compagnie Europeenne de Placements, is among the majority interviewed who are putting funds under management into Wall Street.

"All indicators are very bullish," he asserts but adds, "you have to be very careful." His point was that the leadership of the market rotates in a very sharp way and that the swings are violent.

Mr. Segra, a former monetary expert for the Common Market's Executive Commission who founded his Paris-based bank, said he believed the dollar had bottomed out. "I now see this as a plus," he added.

N.Y. Brokers' Profits Boom As Volume of Trading Swells

By Robert J. Cole

NEW YORK, March 31 (NYT)—With the New York stock market's trading volume up nearly 40 per cent to well over 20 million shares a day so far this year, stockbrokers are again making big money.

Donald Regan, chairman of Merrill Lynch, Pierce, Fenner & Smith Inc., the biggest brokerage house in the industry, set the tone the other day when he proclaimed that first-quarter profits on Wall Street should be "the biggest" in history.

As the first quarter of 1975 draws to a close, a spot check of several leading brokerage houses shows that most well-managed securities firms should be reporting record or near-record profits for the first three months.

The trend appears to be widespread, extending to big and small brokerage firms alike and to the investment banking firms as well as the retail houses that cater to the small investor.

Cost-cutting seems to be one factor in the strong showing, although the surge in trading volume to a phenomenal 13 billion shares in the first quarter from 930 million a year ago has pushed profits to unusually high levels.

William Clayton, senior vice-president of E.F. Hutton & Co., said: "It'll be one of the best quarters in Hutton's history. All

Concern Over REIT Loans Cited

Chemical Bank Cancels Debt Issue

NEW YORK, March 31 (AP-DJ)—The holding company for Chemical Bank has cancelled a \$100-million offering of convertible debentures because of widespread investor concern over recent disclosures concerning the bank's loans to the troubled Real Estate Investment Trust industry.

Last Tuesday, Chemical revealed that it is renegotiating the terms on about \$200 million of loans that it has outstanding to REITs.

That sum is in addition to \$103 million in similar loans that Chemical has already renegotiated and classified as "nonincome-producing loans." The firm applies to loans on which interest payments have been delinquent for 60 days.

The one-page announcement, issued yesterday, is a keen disappointment for the bank, which would have received the major share of the proceeds from the sale. It also prompted some analysts to speculate that the banking industry's heavy commitments to Real Estate Investment Trusts may create greater problems than expected in raising capital.

The decision was also a blow to Kuhn Loeb & Co. and First Boston Corp., managers of the offering. It was especially frustrating as investors, apparently attracted by the debentures' 9 3/8 per cent interest rate, had initially agreed to buy more than 95 per cent of the securities.

"We'll be back" In a telephone interview, Norborne Berkeley Jr., president of the bank and its holding company, Chemical New York Corp., acknowledged that the cancellation "was a disappointment for us." He predicted that "we undoubtedly will be coming back to market someday," but he added that "it is terribly difficult to say at this time how soon."

The executive also said, "We hope it doesn't affect other banks' ability to go to market to raise funds." He emphasized that "we have absolutely no question about the overall soundness of the loan portfolio of our bank or the overall soundness of the banking industry as a whole."

Explaining Chemical's decision to withdraw the offer, a statement said the company "was motivated by the apparent widespread confusion resulting in the publicity given its loans to Real Estate Investment Trusts."

The statement added that the company "considered it desirable to permit a period of informed analysis by the investing public of the ultimate effect on the commercial banking system of loans to Real Estate Investment Trusts."

Donald Platten, Chemical chairman, said there is "widespread misunderstanding as to the

potential impact on commercial banks of their loans to Real Estate Investment Trusts."

He said that "in the case of most REITs, there are valuable intrinsic assets, as well as significant equity and subordinated debt, which would be used to absorb losses before lending banks suffer a loss on any portion of the principal of their loans to REITs."

Mr. Platten also said Chemical's first-quarter earnings "are expected to be about 45 per cent greater" than those of a year earlier, "notwithstanding the increase in nonincome-producing loans."

Stock Prices Decline Slightly As Market Activity Slackens

NEW YORK, March 31 (NYT)—New York Stock Exchange prices closed narrowly lower today, giving up a moderate early gain. Trading was slow on the decline.

The Dow Jones industrial average fell 2.11 points to 788.15. It was ahead almost 4 points in early trading. Declining issues outnumbered gainers by about 790 to 650.

Volume fell to 16.27 million shares compared with 18.3 million shares Thursday. The market was closed Friday for Easter. Analysts attributed early buy-

ing to President Ford's signing of the tax-cut bill. However, they said uncertainty remained about the U.S. economy and expected lower first-quarter earnings reports.

Shields Model Roland analyst Myron Helman said light volume indicated end-of-the-quarter waiting for signs of market direction. He also said that there was some concern about that direction, and cited major financing plans ahead in April by both government and business.

Analysts say the money needs could be over-demanding on the money market.

H&R Block was the most active issue on the Big Board, closing at 13 5/8, unchanged. A block of 200,000 shares of the issue traded early in the session at 13 1/4.

Chemical New York advanced 5 1/8 to 35 7/8 although it called off an offering of \$100 million in debentures.

Fordboro fell 2 1/4 to 23 1/4 after it announced plans to file for sale of 500,000 common shares.

The American Stock Exchange index closed down 0.88 to 79.93. In Chicago, farm commodity futures prices soared on the Board of Trade under a good demand and absence of sellers.

Soybean oil futures closed with a limit gain of 100 points, or 1 cent a pound, but a limit advance of 20 cents a bushel in soybeans was trimmed by profit-taking. Soybean oil, up about \$5 a ton at one time, closed on a mixed tone.

Gains in oats, corn and wheat were substantial early in the session, although not of limit proportion. The gains were trimmed before the close.

U.S. Industry Operating at 65.5% Capacity

NEW YORK, March 31 (Reuters)—U.S. industry operated at 65.5 per cent of capacity in February, the lowest level since the introduction of monthly reports in 1964 by McGraw-Hill's economics department.

Reporting this today, McGraw-Hill said with production scheduled to fall even further in the next few months it is likely the operating rate will continue to decline.

The operating rate in February was 2.5 percentage points below the January level, and 18 points below the February, 1974, level. The largest falls in output occurred in the durable goods and nondurable manufacturing areas, McGraw-Hill added.

These securities having been placed privately outside The Netherlands, this announcement appears as a matter of record only.

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New York Stock Exchange Trading

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American Stock Exchange Trading

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Selected Over-the-Counter Stocks

[illegible]

Tokyo Exchange

March 31, 1975	
	Price
Glass	257
Print.	222
Bank	435
Phone	367
chi	185
Motor	634
air L.	461
EL P.	736
Soap	306
Brewery	308
sbu	348
u E. ind.	543
Matsu E. Wks	
Mitsubi Hyv. Ix	
Mitsubi Corp.	
Aitukashi	
Nippon Elec.	
Sharp	
Shideo	
Sony Corp.	
Sumitomo BK.	
Telsho Marine	
Takeda Chem.	
Teljin	
Telsho Marine	
Tosay	
Toyota Motor	

FCE Quotation:

March 27, 1975		1975		
		Mar	Jun	Sep
DJIA	bid	760	760	750
766.19	offer	770	774	780
FTI	bid	272	272	260
265.75	offer	282	282	270
TDKJ	bid	4200	4100	4150
4240.52	offer	4300	4350	4350
Prom. Gas	bid	122	125	125
122.75	offer	128	130	130
Gasol	bid	85	85	84
83.50	offer	87	90	90

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Currency Rates

March 27, 1975

By reading across this table of yesterday's closing inter-bank foreign exchange rates, you can find the value of \$25 million currency in the national currencies of each of the following financial centers. These rates do not take into account local currency services charges.

	F	£	DM	FF	L.R.	Glar.	HK	Swiss	Dan.
London	2.3945	8.9770	10.7130	58.62	57.867		8.91	56.84	8.4
Frankfurt (c)	34.85	35.934	14.785	8.23	6.49	14.67		11.732	8.4
Frankfurt (b)	2.350	8.9390			57.925	57.90		56.83	
Geneva	2.4005		10.650	10.140	18.222	5.76075	8.475	5.0675	11.8
London (c)	62.10		2.857	135.09		264.08	32.245	58.935	11.8
London (b)	62.10	10.1520				12.150	16.717	17.77	
Paris	2.56	0.0832	107.59	60.0	4.9400	106.05	7.25		

The following are dollar values only: Danish kron: 5.4435; French: 20 francs: 6.50; West: 66.05; Schilling: 10.65; Sw. krona: 5.9475; Yen: 20

Swedish krona: 36.48.

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